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Neff, Daniel

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Exploring the Meaningfulness and Relevance of Subjective Well-being for India

Daniel Neff*

This paper tries to explore the question as to whether subjective well-being (SWB) could enhance or complement the current practice of well-being measurement practice in India. For this purpose, the questions of the definition of SWB, and of the meaningfulness and relevance of SWB as a well-being proxy for India are discussed. It is argued that SWB, defined as life satisfaction, can be regarded as meaningful and relevant in the Indian context. SWB could complement the capability approach or become part of a wider well-being concept. However, it is believed that it is not sufficient to rely on the answer to a single general life satisfaction question, but that there is a need to develop appropriate tools which are culturally sensitive and go beyond the single item question. The paper further provides an exploratory analysis of SWB in India, by using World Value Survey and unique village level data.

Key words: Subjective well-being, Well-being, Poverty, India.

During the last decade in particular, the concepts of happiness and subjective well-being (SWB) have received growing attention across a range of disciplines. This paper engages with these new developments in the measurement of well-being and tries to explore the question as to whether SWB could enhance or complement the current practice of well-being measurement in India. For this purpose, the questions of the definition of SWB and the questions of the meaningfulness and relevance of SWB as a well-being proxy for India are discussed. It is argued that SWB, defined as life satisfaction, can be regarded as meaningful and relevant in the Indian context. It can enhance current well-being measurement in India, since it does not define people by their poverty or deprivation sets alone, but instead takes into account of what people conceive as well-being, people's aspirations, their agency and needs and wants.

The paper is structured as follows: firstly, the definitions of SWB are compared and critically discussed. Secondly, the meaningfulness and relevance of the concept of SWB for India are reconsidered. Thirdly, an exploratory analysis is undertaken, which provides some insights into SWB in India, and lastly, the main arguments are summarized.

DEFINITION OF SWB

Although scholars use the term 'happiness', they often tend to refer to rather different things. Different measurement practices of happiness are due to the distinct underlying

* GIGA Institute of Asian Studies, Hamburg, Germany. Email: neff@giga-hamburg.de

definitions of happiness. The range of definitions of happiness and the resulting diverging measurement practice and the range of disciplines involved have resulted in some confusion regarding the actual concept of happiness/SWB. There is a necessity to differentiate between the concepts of happiness and SWB. Nettle (2005, in Frey, 2008) usefully distinguishes between the three concepts of happiness, namely momentary feelings of joy and pleasure (hedonic happiness), the eudaimonic happiness (quality of life), and the overall contentment with life (life satisfaction).¹ These concepts imply a different understanding of happiness and hence require a different measurement of happiness. The following article briefly lays out the main differences.

The hedonic conceptions of happiness are dominated by a utilitarian ethical view (see Neff and Olsen, 2007). Jeremy Bentham, the founding father of utilitarianism and the utility theory, believed happiness to be the only desirable end. He defined happiness as the presence of pleasure and the absence of pain, whereby the goodness of an action should be judged by its outcome (the increase or decrease of happiness), and not by its intention. The main principle is to achieve the happiness of the largest number of people in a society (the so-called 'greatest happiness principle', see Veenhoven, 2004). The proponents of the hedonic conception of subjective well-being see the measures of happiness, pleasure or satisfaction as a proxy for people's utility (see, for example, Ng, 1997; 2003; Kahneman, *et al.*, 1997; Kahneman, 1999). They argue that with the (recent) advances of measurements in happiness, economic theory is able to move back to its origins in Benthamite utilitarianism (for example, Kahneman 1999).

Hedonic happiness suffers from serious practical, conceptual and moral weaknesses. Firstly, conceptualizing SWB in a hedonic sense is of limited relevance in the developing countries, where people cannot meet their basic needs and where their individual well-being is more dependent on others around them (that is, family members), which might be the case more so in so-called collectivist countries (Camfield, 2006). Secondly, and most importantly, the moral basis of the hedonic happiness concept, namely utilitarianism, needs to be rejected on ethical grounds. It seems that critiques of Sen and colleagues (see, for example, Sen, 1999, pp. 58-62) regarding the three main pillars of utilitarianism, namely consequentialism, welfarism and sum-ranking, are simply ignored or not sufficiently discussed by the proponents of hedonic happiness. Also assertions such as that of Layard (2005, p. 113) that "[h]appiness is the ultimate goal because, unlike other goals, it is self-evidently good" is simply not sufficient. Even if we agree that happiness is evidently good (and good feelings are better than bad feelings), it does not necessarily follow that happiness is and should be the ultimate goal (see Neff, 2010). Hedonic happiness is not able to capture the wider scope of well-being. Benthamite utilitarianism is seen as a normative guide for not only policy but also for individual behaviour (see, for example, Layard, 2005). The problem, however, is that such prescriptions are paternalistic since they only reflect experts' opinions regarding the sources of happiness (Qizilbash, 2007). Hence, they go past the original aim of avoiding paternalism by introducing the concept of SWB. It has to be pointed out that the rejection of the utilitarian greatest happiness principle does not necessarily imply the rejection of subjective well-being as one element within a wider

concept of well-being. One such concept, that of eudaimonic happiness, is believed to be wider in scope and not paternalistic. The eudaimonic happiness concept, following Nettle (2005, in Frey, 2008) is referred to as the 'quality of life'.

The 'quality of life' concept sees happiness in the sense of virtue as defined by Aristotle as the normative standard, which can be applied to judge the quality of people's lives. An individual achieves a certain quality of life by developing and fulfilling his or her potential. This achieved quality of life is referred to as 'eudaimonia' or the 'good life' (Frey, 2008, p. 5). Currently, happiness in a eudaimonic sense is measured by using a variety of objective and subjective indicators over a number of dimensions to capture the successful living of a person.² One example of such a multi-dimensional measure is the concept of the Gross National Happiness (GNH) index developed for the Kingdom of Bhutan (for example, Hirata, 2003).³ There are, in fact, many such Aristotelian inspired lists to be found in the literature, which, however often embrace utilitarian type ends such as happiness, pleasure, and so on (Clark, 2005). In this sense, they are prone to the same critique that Sen has put forward (see above). Another problem is that such lists do not necessarily require the subjective perceptions of the people themselves. Arguably, it is the values and experiences of the poor that matter. However, the Aristotelian concept of virtue is a normative standard against which the quality of people's lives can be judged and it is not specified who is to determine this normative standard. Hence, the concept is not necessarily dependent on people's subjective perceptions of the situation and can be purely expert-led. As Clark (2005, p. 1346) points out, "[...] such accounts are subject to criticism on the grounds they are objectionably paternalistic or overlook cultural and historical differences". In contrast, life satisfaction or subjective well-being is argued to be a concept which entirely rests upon the people's perceptions of their own situation.

The overall contentment with life is generally referred to as life satisfaction or subjective well-being (SWB). SWB is mainly measured in the form of a single-item question such as "[t]aking everything into account, how satisfied are you with your life as a whole in general?". The answers are typically measured on 5 or 7 point Likert-scales. Other authors have suggested that multi-item measures can improve the quality of measurement of SWB (see, for example, Diener, *et al.*, 1985).⁴ SWB, measured either as a single-item or multi-item question in measurement terms, remains uni-dimensional, focusing purely on the overall satisfaction with life. As a concept, however, it is believed to be multi-dimensional since it is seen to capture "[...] a global sense of well-being from the people's perspective" (Diener, *et al.*, 2003, p. 197). As Rojas (2007a, pp. 260-62) points out, SWB is concerned with people's declared well-being and is not a well-being concept defined by an expert (outsider). Since a person's well-being is inherently subjective, the person alone has to be considered the authority to judge his or her own well-being (Ferrer-I-Carbonell, 2002). Hence the concept of SWB can avoid defining means of welfare and well-being. | This is seen as an advantage not only because it avoids value judgements (Kingdon and Knight, 2006), but also because there is no agreement on the final definition of the quality of life and it is even disputed that there is something like an overall quality of life (see

Veenhoven, 2000). Similar to hedonic happiness or the quality of life, SWB research is often grounded in utilitarianism or follows utilitarian type goals and could therefore, be criticized on the same grounds, which is, however, not necessary. Neff and Olsen (2007) propose an alternative grounding by introducing a critical realist framework for the study of SWB.

If we compare the distinct concepts of hedonic happiness, quality of life and life satisfaction, the latter seems to offer the most promising definition of SWB. In contrast to the 'quality of life' concept, it, by definition, rests upon the people's own conception of the good life and not on a pre-defined normative standard, which is why it cannot be accused of being paternalistic. It differs from hedonic happiness in that it is not based on affect (feelings of joy or pain) but on a cognitive evaluation of a person in terms of his or her life in general. Hedonic happiness has been rejected on practical, conceptual and moral grounds, and the quality of life has been argued to be potentially paternalistic. Hence, in comparison, life satisfaction seems to be the most appropriate definition of SWB. With the most appropriate definition of SWB having been identified, the next sections touch upon the questions of what shall be referred to as 'meaningfulness' and 'relevance'.

MEANINGFULNESS OF THE SWB CONCEPT

It is argued that a well-being proxy can be defined as 'meaningful' if it can capture the 'actual' well-being situation of people ('meaningfulness'). SWB can only capture the actual well-being situation of a person if SWB is not shaped or distorted by outside factors, which would undermine SWB as a proxy of well-being. Amartya Sen (see for example, Sen, 1987, p. 8) has repeatedly warned against the sole focus on utility (happiness or satisfaction as its proxy) because it entirely depends on a person's mental state, which could be subject to social conditioning or adaptation to hardship and should, therefore, not be of exclusive relevance for evaluating a person's well-being.⁵ In this respect, the main challenge to the SWB approach is the adaptation to hardship, the so-called adaptation problem⁶ (see Qizilbash, 2006 and also Neff, 2009). Qizilbash (2006) defines the adaptation problem as the phenomenon when people's desires and attitudes adapt to the deprived circumstances in which they live. If adaptation exists and is a widespread phenomenon, SWB has to be considered as an unreliable proxy of well-being.⁷ In this context, two questions are posed in order to assess the meaningfulness of SWB: Firstly, does adaptation to hardship occur? And secondly, if yes, is it a widespread phenomenon?

There is no doubt that adaptation to hardship does occur. One example of this can be found in the work of Nussbaum (2000, see also Neff, 2009)⁸ on adaptation. Among three case studies, she presents the life stories of a group of women from a village in the Mahabubnagar district in Andhra Pradesh, who did not have access to basic resources. The women in the village did not consider the lack of basic resources as adversely affecting their lives because they had never experienced it any other way. After a consciousness-raising programme by the government, which informed the women

about their rights, the women stood up for their rights. As a result, they finally got access to basic resources such as electricity, drinking water and transportation. Hence Nussbaum identifies the lack of information or knowledge and the lack of autonomy to decide the basis of the adaptation problem. This and the other two examples presented by Nussbaum show that the adaptation problem can potentially undermine SWB reports, but is the adaptation to poverty a widespread phenomenon?

A number of empirical studies have examined this problem from the perspective of SWB. Biswas-Diener and Diener (2001; 2006) have shown that poor people do, in fact, have a lower reported life satisfaction level as compared to a richer control group. Thus, adaptation to deprived circumstances might not be so problematic for the measurement of SWB, if different income levels are consistently associated with different levels of life satisfaction. Similarly, Neff (2009) found rather low levels of adaptation (occurrences of the so-called satisfaction paradox—where objectively poor people report a positive SWB) in two villages of Andhra Pradesh. However, there are other scholars, who have reported instances of high levels of adaptation. Clark and Qizilbash (2005; 2008) found that in the communities they surveyed in the deprived areas of South Africa, 73 to 82 per cent of the respondents reported to be either satisfied or very satisfied, despite (objective) prevalent widespread poverty. Similarly, Camfield, *et al.* (2009) find a majority of the people sampled in Bangladesh to enjoy relatively high levels of happiness, but they also find significant differences between those who believe to be rich and those who believe to be poor. Barr and Clark (2010), however, report mixed evidence regarding adaptation for the same South African sample. The authors find that people adapt to low incomes and minimal educational attainments, but not to health problems.

As has been shown earlier, there is mixed empirical evidence on the extent of adaptation processes and more research is needed in order to explore the extent to which adaptation processes undermine the meaningfulness of an SWB measure.⁹ From a definitional point of view, the adaptation problem can be addressed. Following Sumner (1996, p. 167), in order for SWB to be a meaningful well-being proxy, it needs to be authentic: “[...] a subject’s affirmation or endorsement of her life is made from her own point of view, is truly hers, only when it is authentic”. This implies that the subjects are informed about their lives and are autonomous: “A person is autonomous when her beliefs, or values, or aims, or decision, or actions are, in some important sense, her own.”¹⁰ Although this refinement of the definition is able to circumvent the adaptation problem, other questions arise, such as: ‘When can a person be considered autonomous?’ and ‘When can a person be considered as informed?’ Exploring these questions is, however, beyond the scope of this paper.

Hitherto, the meaningfulness of the SWB concept has been discussed. Next, the question of the conceptual relevance of SWB, that is, whether SWB can further our understanding of well-being as opposed to the existing WB measures, is addressed.

RELEVANCE OF THE SWB CONCEPT

It is argued that SWB can be considered relevant if it: (1) furthers our understanding of the well-being of a certain population in focus (as opposed to the existing WB measures) (conceptual relevance); and (2) it is credible and useful to policy-makers (policy relevance).¹¹ These two points are discussed in order below.

India, as a developing country, has a long tradition of poverty and well-being statistics and research. From the early stages of development planning, poverty was defined in absolute terms, that is, as a shortfall of basic needs (Béteille, 2003). Since then, studies of well-being have been dominated by economists who have concentrated on the statistical coverage of individuals or families below a pre-defined poverty line. This statistical coverage has been conducted by the National Sample Survey Organization (NSSO) and the Planning Commission (PC) on a regular nationwide basis from the 1950s onwards. The so-called National Sample Survey (NSS) uses household consumption as the indicator of poverty. The per capita consumption expenditure is linked to a consumption basket that is believed to satisfy a person's minimum caloric requirements and non-food needs (Fernandez, 2010). These caloric requirements vary by state and are different for rural and urban areas. So far, the Indian mainstream poverty debate has been circling around the poverty headcount and its change over time. It is also focused on statistical issues concerning the data's reliability, comparability and accuracy, as well as on measurement issues (see Deaton and Kozel, 2005) but to a much lesser extent, on the question as to whether the actual poverty measurement practice captures the well-being situation of India's poor.

In India, some scholars have pointed out that there is an obvious natural objective minimum calorie intake, which could be used to define a poverty line¹² (see, for example, Deaton and Drèze, 2009; Nawani, 1994; or Saith, 2005). Other scholars have cast doubts on the use of consumption as a proxy of poverty (for example, Gunewardana, 2004), highlighted the problems regarding the practice of updating the prices of the food basket (for example, Mehra, 2004), and the problems regarding the (changes in the) reporting system of consumption in the NSS survey leading to different poverty estimates (for example, Deaton, 1993; or Sundaram and Tendulkar, 2003).

Apart from the critique of the current practice of poverty measurement in India, monetary poverty, in general, has been heavily criticized. The most prominent figure among the critics of monetary poverty, that is, Sen, convincingly argued that monetary poverty measures are not able to fully capture a person's real well-being. He believes that the sole focus on commodities (and income or consumption as proxies for commodities) is not sufficient to identify a person's well-being, since it depends on how commodities are converted into well-being achievements (for example, Sen, 1999). Influenced by Sen's capability approach and his subsequent work with Jean Drèze on India (see Drèze and Sen, 1995; 1997; 2002), multi-dimensional well-being measures have been established globally and publicized for India in the form of human development reports at the national, state and city levels (see, for example, Planning Commission, 2002; Government of A.P., 2007; Municipal Corporation of

Greater Mumbai, 2010). The problem is, however, as Woolcock (2009, p. 9) points out, that the current practice of operationalizing the capability approach in developing countries in terms of human development reports “[...] boils down to stressing that poverty is multidimensional and that finite resources should be disproportionately allocated to health and education (especially for girls) [...]”. In such an application of the capability approach, the actual perceptions of people do not play any role.¹³ In this context, the inclusion of SWB could improve the current practice of well-being measurement in India.

With regard to the current dominant well-being measurement practices in India, there are two ways in which the concept of SWB could be conceptually relevant: a) as part of the capability approach, and b) as part of a wider well-being approach. Both the options are briefly discussed below and selected examples of the existing work are introduced.

Sen has repeatedly pointed out the shortcomings of a hedonic version of utilitarianism and has convincingly shown the superiority of his framework. However, Sen’s rejection of a hedonic conception of utilitarianism does not imply a rejection of subjective well-being as such. He has argued that happiness is a functioning of intrinsic importance, but as he emphasizes, it is only one functioning among many (see, for example, Sen 1999). Hence, happiness is not perceived as the ultimate goal, but the freedom that people enjoy. In this sense, it provides an ideal framework in which to embed SWB as part of a multi-dimensional measure of well-being. It is, by definition, open to the subjective view of the people, since capabilities are defined as the ability or opportunity that a person has to do or be what she values and has reason to value. What a person values is subjective and context-dependent and that is where the concept of subjective well-being could come in.

There is also a growing literature on the similarities and differences between the capability approach and subjective well-being (for example, van Hoorn, *et al.*, 2010; Bruni, *et al.*, 2008). A number of scholars believe that despite the differences between the concept of SWB and the capability approach, the two concepts are overlaps and synergies. Within this literature, Schokkaert (2007), for example, has pointed out how subjective well-being could help overcome the so-called ‘indexing problem’, which he believes to be one of the main currently unsolved problems in the capability approach. The indexing problem refers to the “[...] challenge of bringing together the different functionings in one overall measure of individual well-being (ibid: p. 416). Schokkaert suggests that empirical findings on happiness help in tackling the indexing problem by taking into account the opinions of people regarding the evaluation of the trade-offs between different dimensions of well-being.¹⁴ This example shows one of the potential benefits of the inclusion of SWB within the operationalization of the capability approach. However, more research is needed in this direction. Next, the inclusion of SWB in a wider well-being approach is laid out.

As has been shown earlier, the current system of poverty measurement in India is based on a rather narrow definition, focusing, as it does, on people’s deprivation

regarding food needs, which determine a person's quality of life. Poor people in the developing countries are not solely defined by their poverty, but have positive aspirations, some degree of agency with which they pursue their own visions of well-being (McGregor, *et al.*, 2007, p. 109) and poor people have a universal need to strive to better themselves and the next generation (Gough, *et al.*, 2006). Hence, it is inadequate to define people solely in terms of their deprivation sets. A broader well-being concept would take into account what people conceive of as well-being, in order to avoid defining people only on the basis of their deprivation. One such broader well-being concept has been developed as part of the 'Well-being in Developing Countries' (WeD) research project being conducted at the University of Bath. According to WeD, well-being refers both to the objective circumstances of a person and the person's subjective evaluation of these conditions (Gough, *et al.*, 2007). As McGregor, *et al.* (2007, pp. 108-10) puts it, "[W]hat a person has, what they can do and how they think and feel about what they both have and can do" can be seen as a reworking of Sen's capability approach, introducing a further dimension of "thinking and feeling [which] introduces the role of meanings with which we live in society". In this way, the authors see their concept to cover not only the outcomes of well-being, but also the processes which lead to these outcomes. Moreover, their concept takes into account the cultural context and wider societal structures, which enable or constrain actions and aspirations.

Hitherto, it has been argued that the SWB concept is meaningful, because it could potentially enhance our understanding of well-being since it takes into account people's own perceptions of their situation. However, there is still doubt because of the potential measurement error due to the adaptation problem. Furthermore, it has been pointed out that the concept of SWB, defined as 'life satisfaction', has much to offer and could complement the existing well-being measurement in India. However, it is believed that it is not sufficient to rely on the answer to a single general life satisfaction question to capture the complex subjective perceptions of individuals regarding their well-being. If our aim is to capture what people value in life and what they think about what they have and can do, there is a need to develop appropriate tools beyond a single-item life satisfaction question, and which are culturally sensitive. One such promising tool has been introduced by the WeD research project.

The third and last aspect to be considered is the question of whether the SWB concept can actually help guide policy in a way that the current mainstream indicators cannot. Put into other words: What new things can we learn from the perceptions of people and how can this be transformed into policy? Obviously, the basic precondition for policy relevance is that the SWB concept entails 'meaningfulness' and is conceptually relevant as discussed above.

If SWB is operationalized in the form of a broader set of subjective indicators to capture what people value and what they think they have and can do, it can be meaningful for policy for three main reasons: Firstly, SWB could potentially be used to identify people's (pressing) needs (Moore, *et al.* 1998) and wants, which policy-makers could address. David Clark (2002), for example, found that his respondents in South Africa, who were from poor neighbourhoods and with low levels of education,

had clear ideas about what was lacking in their lives and the problems that their communities were facing. Moreover, they had a clear view about what they wanted the authorities to do to improve their lives. Brinkerhoff, *et al.* (1997) found the needs in villages in northern India to be time- and site-specific and to be differing by level (family and village levels). In this sense, subjective indicators could help identify the needs and wants of a specific population at a certain point in time in order to inform policy. Secondly, SWB could potentially help identify the social and cultural context that people are living in to be able to implement policies which are both acceptable to people and potentially more efficient than others because they are based on people's knowledge and their experience (Moore, *et al.*, 1998). Lastly, SWB could also be used to evaluate the effectiveness of policy programmes in terms of how the effects of the programmes are perceived by the targeted individuals and the extent to which the needs of the individuals have been met. As Alkire (2005), for example, argues, this is the case, since SWB might be able to reflect changes in agency outcomes, that is, be a responsive indicator of individual empowerment or human agency.

It could be argued that there are established concepts, which already cover this territory and are able to influence policy. Notable examples are the Participatory Poverty Assessments (PPAs) conducted by the World Bank, which culminated in the volumes collectively entitled, *Voices of the Poor* (Narayan, *et al.*, 2000a; 2000b; 2002). The practice of the PPAs has, however, been criticized for being elite-based and inaccurate (Cooke and Kothari, 2001), and the findings do not appear to be sufficiently systematic in order to influence policy. Furthermore, Moore, *et al.* (1998) argue that studies which hear the voices of the poor, in fact, do not hear the voices of the poorest of the poor such as the sick, old, disabled, addicted, shunned or inarticulate. The authors rather pessimistically conclude that PPAs are unlikely to obtain policy-relevant information, which would be valid for large populations and robust over time. Moreover, from a practical point of view, the costs of conducting separate PPA assessments or large qualitative studies such as the *Voices of the Poor* in addition to the existing large-scale surveys is often a problem. In contrast, SWB seems to be promising since it can be embedded in a large-scale survey and would hence minimize the additional costs. It would also facilitate a more systematic and wider collection of people's perceptions of their life situations as compared to what would be possible through PPAs.

Thus far, the concept of SWB has been introduced. It has been argued that SWB defined as 'life satisfaction' and operationalized as a broader set of subjective indicators could potentially enhance the measurement of well-being in India. The following sections aim to briefly summarize the main findings of studies on SWB and to complement these with an exploration of the World Value Survey and unique village data.

MAIN FINDINGS REGARDING SWB

There is a vast and ever-growing number of studies on SWB¹⁵ but a majority of them are set in developed countries. A majority of the studies based in the developing countries, on the other hand, can be classified as studies which either look at the (lack

of) overlap between subjective and objective indicators of well-being or which explore the determinants of SWB. From this literature, three main findings can be summarized, (see also Inoguchi and Shin, 2009, pp. 187-88), which are detailed below.

Firstly, across populations but also within populations, people have different values and priorities, and different conceptions of the good life. These values and conceptions of the good life among people differ (for example, Clark, 2002) because of their different cultural and social upbringing (Rojas, 2007b),¹⁶ and they can also change during the lifecycle of a person and are hence not necessarily stable over time.

The second main finding of the SWB literature relates to the relationship between subjective and objective indicators. There is an imperfect relationship between subjective and objective indicators of well-being. This general finding can further be dissected into three main research foci: (a) the general relationship between subjective and objective indicators of well-being; (b) the adaptation problem, that is, why people living in deprivation claim to be satisfied with their lives; and (c) the specific relationship between monetary indicators of well-being and subjective well-being (the money-happiness link).

Most of the studies which either look at the overlap of different (objective) poverty measures (for example, Baulch and Masset, 2003, or Ruggeri Laderchi, *et al.*, 2003) or the overlap between subjective and objective indicators of well-being (for example, Bradshaw and Finch, 2003, for the UK, and Kingdon and Knight, 2006, for South Africa) only report rather weak relationships or overlaps between the different measures. In the context of India, Janakarajan and Seabright (1999) have found an imperfect relationship between subjective and objective indicators for two villages each in a wetland and dryland area in Tamil Nadu for the years 1985 and 1992.

The main but divergent findings regarding adaptation (that is, the extent to which people are satisfied with their lives despite living in poverty) have been summarized earlier (see Section 2). Most studies in a developing country context do find adaptation processes, but the extent of adaptation and the implication that this has on the meaningfulness of SWB as a proxy for well-being remains unclear. In the context of India, Biswas-Diener and Diener (2001; 2006) have shown that poor people do, in fact, have a lower reported life satisfaction level as compared to a richer control group, and similarly Neff (2009) has found rather low levels of adaptation in two drought-prone villages in Andhra Pradesh.

A vast majority of the studies focus on the specific relationship between money (measured as income or expenditure) and SWB. The main finding within this primarily economic literature is that SWB does rise with income, but only to a certain level, wherein more income does not lead to higher SWB, and that relative or intra-national income is more important than absolute income (the so-called Easterlin paradox; Easterlin, 1974). However, this finding has been challenged by Stevenson and Wolfers, who found a significant positive relationship between SWB and GDP per capita across and within countries and over time, and no satiation point after which the effects of income were seen to be declining. A systematic overview of the literature regarding

the relationship between money and SWB can be found in Diener and Biswas-Diener (2002), and Frey and Stutzer (2002). A recent study (Linssen, *et al.*, 2010) has explored the effects of relative income and conspicuous consumption on SWB for India. The authors find that individuals who spent more on conspicuous consumption report lower levels of SWB, but there is no effect of the relative income position on SWB.

The third and last main finding relates to the determinants of SWB, which is believed to be related to a number of variables. Apart from income, the reported determinants of SWB are culture (see Vitterso, *et al.*, 2005; Diener, *et al.*, 2003), age (for example, Blanchflower and Oswald, 2004; Agrawal, *et al.*, 2010), employment status (for example, Clark and Oswald, 1994), social relationships (Diener, *et al.*, 1999; Lucas, *et al.*, 2003; Camfield, *et al.*, 2009), health (for example, Witter, *et al.*, 1984) and education (Agrawal, *et al.*, 2010). For the Indian context, other factors such as caste (see Bosher, *et al.*, 2007) also need to be taken into account.

Next, an exploratory analysis of SWB is conducted by the using World Value Survey (WVS) and unique village data for India.

EXPLORING SWB IN INDIA

The aim of this exploratory analysis is to assess the relationship between objective measures of well-being and subjective well-being. Furthermore, an attempt is made to explore the potential determinants of SWB in the Indian context. The data consists of the World Value Survey (WVS) for India and village level data.

The WVS is a non-profit open access project supporting the analysis of attitudes and cultural change, now covering 97 countries over time (4 waves from 1981 to 2007). For the purpose of analysis, the data for India from wave 4 is used, which was collected between December 2006 and January 2007. In total 2001 interviews were conducted, out of which one-third of the respondents are students¹⁷ and in total, more men than women answered the survey questionnaire. The age range of the respondents is 18-93 years (with an average age of 41.4 years).

The village data was collected in two villages in the Chittoor district, which is a drought-prone, semi-arid area of the state of Andhra Pradesh in India (for a fuller introduction of the data set, see Neff, 2009). In order to protect the anonymity of the respondents, the villages are referred to as Peddapalli and Chinnapalli.¹⁸ The survey results consist of data obtained from 187 households and individuals ranging in age from 21 to 80 years (with an average age of 45.4 years). The village data was collected between February and June 2007 as part of a Ph.D. project. The first village, Chinnapalli, has around 100 households whereas the second village, Peddapalli, is double the size of the former.

First, the overlap between objective conditions regarding certain life domains and the respective subjective satisfaction reports with these life domains is explored. The questions pertain to the extent to which subjective and objective indicators regarding certain life domains overlap and whether there are signs of adaptation. For this

purpose, five such life domains are compared, namely housing, education, health and living standards.

The objective variables for housing, which were taken into account, were the room density (the number of rooms by household size) and actual housing status (whether the house was a hut or brick house, and whether the house had a toilet and access to electricity). The objective situation regarding education was taken into account through the ratio of literate adults in the household. The ratio of chronically ill to healthy household members was used as a proxy for objective health. Finally, the household expenditure level was used as a proxy for living standards. It has to be pointed out that the proxies for each of the domains were based on the situation of the entire household and not the individual who answered the SWB question. In contrast, the subjective questions regarding the life domains were directed only at the individual.

In the first step, for each of the domains, the objective indicators were selected and transformed into a seven-point scale, which could then be compared to the seven-point domain satisfaction scales in order to calculate the distance between the subjective perceptions and the objective situation.¹⁹ Given that there is a relationship between the subjective and objective measures, the following three outcomes are possible: 1) the subjective domain satisfaction levels are higher than what the actual objective situation would suggest ('higher subjective rating'); 2) the subjective domain satisfaction levels are similar to the objective situation ('balanced'); and 3) the objective situation is better than what the actual subjective reported domain satisfaction would suggest ('higher objective rating'). These outcomes are cross-tabulated with the actual SWB level (see Table 1). Table 1 displays whether the respondents rated the subjective life domains higher as compared to the corresponding objective indicators ('subjective higher'),

Table 1
**Index of Difference Between Subjective and
Objective Life Domains Cross-tabulated With SWB**

SWB	Subjective Higher	Balanced View	Objective Higher	Total
Dissatisfied	34 59.6%	40 39.2%	7 25.0%	81 43.3%
Neutral	15 26.3%	21 20.6%	3 10.7%	39 20.9%
Satisfied	8 14.0%	41 40.2%	18 64.3%	67 35.8%
Total	57 100%	102 100%	28 100%	187 100%

Source: Own village data, 2007. SWB has been recoded from a seven-point scale (1=very dissatisfied, 2=dissatisfied, 3=rather dissatisfied, 4=neither satisfied nor dissatisfied, 5=rather satisfied, 6=satisfied, 7=very satisfied) into a three-point scale (very dissatisfied, dissatisfied and rather dissatisfied = dissatisfied; neither satisfied nor dissatisfied = neutral; very satisfied, satisfied and rather satisfied = satisfied).

had a balanced view (subjective and objective have the same value on the seven -point scales), or whether the objective situation was higher than the corresponding subjective life domains ('objective higher'). The difference between the objective and subjective indicators is cross-tabulated with SWB.

The results show that a majority of those whose subjective domain satisfaction levels are higher than their objective household conditions (across the five life domains) still report to be dissatisfied (59.6 per cent) with their life in general. In contrast, those who have higher objective ratings as compared to their subjective evaluation of the five life domains in the majority (64.3 per cent) report to be satisfied with their life in general. A majority of the respondents do have a balanced view (102 out of 187 respondents—55 per cent), that is, whose subjective evaluation of the life domains is similar to their objective living conditions. The relationship of the difference between the subjective and objective life domain and SWB is highly significant.²⁰ The findings of this exploratory analysis, which are similar to the findings reported earlier (Neff, 2009), indicate that adaptation is not widespread and that a majority of the people have a realistic view regarding their life domains, that is, they subjectively evaluate their life domains as one would expect, given the objective indicators of the specific life domains. This implies that at least at the village level, there is a higher overlap between the objective and subjective indicators of well-being.

In the following section, the potential determinants of SWB for India are explored by using WVS India (2006) data and village data from 2007. For this purpose, two ordered-logit regressions are calculated due to data constraints including income, age, gender, education, marital status, employment status and subjective class, by using the WVS data and expenditure, age, gender household education level, household health status, total land holdings, location and caste at the village level.

The results of the two ordered-logit regressions show similar patterns.²¹ In both regressions, income or expenditure, class or caste have an effect on SWB (see Table 3).²² Additionally, education and age have an effect on SWB in the WVS data but not at the village level. This could be due to the different sample compositions of the two since one-third of the WVS sample consists of students and the WVS sample has a lower average age level. Illiteracy rates, even across caste groups in the villages, are high, especially among the elder generations. No influence of gender can be found neither with the WVS or the village data. Agrawal, *et al.* (2010) have reported similar results for their urban sample. They found SWB to be predicted by income, age and education, but unfortunately they did not take into account either class or caste. Location ('village') has an effect on SWB in the village data, implying, as Das (2001) has argued, that spatiality matters.²³ This could be due to the different social compositions of the villages, the size of the villages, or the geographical location in terms of access to roads, etc. The results imply that income is a strong predictor of SWB though the coefficient is stronger at the village level. This could be due to the nature of the variables. The variable 'income group' is a subjective report regarding the income level, whereas expenditure in the village data is based on a complex

and detailed report of household expenditure and is, therefore, likely to be more accurate. However, the effects of (subjective) class and caste are similarly strong, implying that social relations matter. In the Indian context, it is caste (and class—often derived from caste), which still influences the stratification of society. Despite changes in the influences of caste, it has been argued that the caste system is not in the process of abolition but is adjusting to modern times (Sharma, 1997). In a study of a number of villages in Andhra Pradesh, Boshier, *et al.* (2007) found caste to be the key factor determining asset ownership, access to public facilities, existence of political connections, and existence of support networks which, in turn, could affect people's subjective well-being.

Table 3
Determinants of SWB—WVS and Village Level

WVS—India			Two Villages, AP		
Variable	Coefficient	Significance	Variable	Coefficient	Significance
Income Group	0.10	***	Expenditure	0.88	***
			Expenditure ²	0.00	n.s.
Age	-0.01	*	Age	-0.01	n.s.
Age ²	0.01	n.s.	Age ²	0.01	n.s.
Gender	0.07	n.s.	Gender	-0.09	n.s.
Education	0.08	***	Education	0.01	n.s.
Marital status	-0.03	n.s.			
Employment status	0.05	n.s.			
			Health status (chronic)	0.00	n.s.
			Total land	0.01	n.s.
			Village	0.61	**
Class (subj.)	-0.18	***	Caste	-0.43	***
Pseudo R ²	0.02	***	Pseudo R ²	0.09	***
N	1646		N	187	

Note: WVS: SWB: 1=dissatisfied – 7=satisfied; Income group: 10 income groups with 1 being the lowest and 10 being the highest income group; Age in years; Gender: 1=Male 2=Female; Education: 1=no formal education, 2=incomplete primary school, 3=complete primary school, 4=incomplete secondary school, 5=complete secondary school, 6=some university level education without degree, 7=university level education with degree; Marital status: 1=Married, 2=Living together as married, 3=Divorced, 4=Separated, 5=Widowed, 6=Single, never married; Employment status: 1=Full-time employed, 2=Part-time employed, 3=Self-employed, 4=Student, 5=Unemployed, 6=Other; Subjective class: 1=upper class, 2=upper middle class, 3=lower middle class, 4=working class, 5=lower class.

Village data: SWB: 1=very dissatisfied, 2=dissatisfied, 3= rather dissatisfied, 4=neither satisfied nor dissatisfied, 5=rather satisfied, 6=satisfied, 7=very satisfied; Total per capita household expenditure; Age in years; Gender: 0=Male 1=Female; Education: Percentage of literate adults per household; Health status: Percentage of chronic ill per household; Total land: Total land owned per household in acres; Village: 0=Village A; 1=Village B; Caste: 1=Other Caste, 2=Backward Caste, 3=Scheduled Caste, 4=Muslim Minority.

Sources: World Value Survey 2006 and own data 2007.

CONCLUSION

The main points argued above can be summarized as follows:

1. The paper argues that SWB indicators could enhance the current well-being measurement in India, since they would facilitate defining of people not by their poverty or deprivation sets alone, but would instead take into account what people conceive as well-being, people's aspirations, their agency, and needs and wants. However, there are distinct definitions of SWB with their own weaknesses and strengths.
2. The paper further argues that life satisfaction seems to be the most appropriate definition of SWB as compared to hedonic happiness and quality of life. The concept of life satisfaction rests upon a cognitive evaluation of a person about his or her life, and on their own conception of the good life. Life satisfaction cannot be accused of being paternalistic, but questions regarding the meaningfulness and relevance of SWB in the Indian context arise.
3. It is believed that SWB can be defined as being meaningful since it can capture the actual well-being situation of people, namely well-being, as it is perceived by the people and not distorted by outside factors. It is argued that the meaningfulness of SWB measures is challenged by the adaptation problem and so far, there is mixed empirical evidence on the extent of the adaptation processes and more research is needed in order to explore the extent to which the adaptation processes actually undermine the meaningfulness of an SWB measure. Evidence from India only shows low levels of adaptation. From a theoretical point of view, the adaptation problem becomes less relevant for the meaningfulness of SWB if a person can be considered to be autonomous and informed, which, however, leads to other questions, namely when can people be considered as autonomous and informed.
4. Moreover, SWB is believed to be conceptually relevant because it could potentially complement the existing well-being measurement in India. It is shown that SWB could complement the capability approach or become part of a wider well-being concept. Subjective well-being cannot be equated with well-being, since well-being is more than just subjectively experienced life satisfaction. It refers to the objective circumstances of a person and the person's subjective evaluation of these conditions (Gough, *et al.*, 2007).
5. It is further pointed out that it is not sufficient to rely on the answer to a single general life satisfaction question to capture the complex subjective perceptions of individuals regarding their well-being. There is a need to develop appropriate and culturally-sensitive tools beyond a single-item life satisfaction question, such as the tool introduced by the WeD research project at the University of Bath.
6. SWB is believed to be policy-relevant for three main reasons: it could be used to identify the needs and wants of a population which policy-makers could address. It could help identify the social and cultural context that people are living in. This could help shape policies in order to make them acceptable to people and

potentially more efficient. Lastly, it is argued that SWB could also be relevant in evaluating the effectiveness of a policy programme.

7. Lastly, an exploratory analysis of World Value Data for India and village level data from two villages in Andhra Pradesh has found evidence that the adaptation problem is not widespread. On the contrary, a majority of the people subjectively evaluate their lives, as one would expect their lives to be measured with objective indicators. These results suggest a significant overlap between the subjective and objective indicators. An exploration of the determinants of SWB in India found income or expenditure, class or caste to affect SWB on the national (WVS) and village levels. This implies that SWB research needs to take into account the social stratification of the region under investigation, such as caste and class for India.²⁴ However, further study is required to test the strength of the findings.

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NOTES

1. For a more encompassing differentiation between the concepts of well-being, see Gasper (2010).
2. In the Indian context, the 'quality of life' was discussed by Mukherjee as early as 1983, and later at a seminar held at the Indian Institute of Advanced Study in 1990, and also encompassed art and literature. The results of this seminar were published in 1992 (see Datta and Agrawal, 1992).
3. The GNH index rests upon nine dimensions, viz. psychological well-being, time use, community vitality, culture, health, education, environmental diversity, living standard and governance, and each of these dimensions is covered by a range of indicators; see: <http://www.grossnationalhappiness.com> (accessed on 15 September 2010).
4. The authors report their measure to have significantly better reliability rates as compared to the single-item measure.
5. Interestingly, Sen's capability approach may be similarly susceptible to the adaptation problem, as Clark (2007, p. 11) points out.
6. Adaptation, in general, is also often referred to as adaptive preferences.
7. Sen (1990; 1992; and 1999), in fact, argues that the sheer possibility of the existence of adaptation is a sufficient argument to object to SWB.
8. Nussbaum (2000) makes an interesting differentiation between life-long habituation (due to the absence of information) from rather normal forms of adaptation, such as giving up a desire that one once had.
9. Following Gasper (2010, p. 356), the adaptation problem should not lead to the question as to whether SWB is a reliable measure but whether it is suitable or unsuitable for the other purposes than recording mental states, namely, for example, for inferring well-being.
10. This is similar to Sen's concept of human agency. Sen defines human agency as "[...] people's ability to act on behalf of goals that matter to them" (Alkire, 2005, p. 218), which also implies autonomy and having access to the necessary information.

11. The latter two points are only important if the first point is realized, that is, SWB is able to capture the well-being situation of people.
12. For an overview of the problems of these so-called 'biological approaches', see also Sen (1981, pp. 12-14).
13. A number of studies, which have operationalized the capability approach, have taken into account people's perceptions (for example, Alkire, 2002; Clark, 2002; Ibrahim, 2007).
14. However, as Schokkaert argues, this is only possible once subjective well-being is 'cleaned' of ethically irrelevant information.
15. Veenhoven's world database of happiness has listed more than 4500 studies to date, which are related to SWB (<http://worlddatabaseofhappiness.eur.nl/>, accessed on 11 July 2010).
16. Rojas (2007b, p. 2) has developed a theory referred to as the 'Conceptual Referent Theory' (CRT), which states that "[...] each person has a conceptual referent for a happy life—the conception or notion which the term happiness refers to—and that this referent plays a role in the judgment of her life and in the appraisal of her happiness".
17. This is not entirely implausible since approximately one-third of the Indians are below the age of 30 years, but at the same time, definitely not all of them are students.
18. In Telugu, 'Pedda' means large, 'chinna' means small, and 'palli' means village.
19. For example, if a respondent rated his or her housing satisfaction as 5 and the objective index regarding the housing situation was 3, the subjective rating was higher (+2). Each distance between the objective and subjective indicator was then added in a summary index. If the index was positive, the subjective ratings were, on an average higher, as compared to the objective measured situation; if the index was negative, the objective ratings were, on an average, higher as compared to the subjectively reported situation.
20. $\Phi = 0.348$, significant at the 1 per cent level.
21. It has to be pointed out that multi-collinearity poses a problem for this kind of analysis (see also Neff, 2007), so the results have to be dealt with caution.
22. It should not be forgotten that employment status, income, class, caste, expenditure and education are related.
23. Unfortunately, location could not be taken into account by using the WVS data due to data limitations.
24. Other relevant defining characteristics of the social structure in the context of India are gender, religion, ethnicity, etc.

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